M E M O R A N D U M

TO: Retirement Boards

FROM: James R. Lamenzo

RE: Early Retirement Incentive (ERI) Program Spreadsheet

DATE: June 6, 2002

At our May 29 and May 30 seminars, we were requested to complete a spreadsheet to assist with ERI cost estimates. We now have available an Excel spreadsheet that can be used for this purpose.

The spreadsheet requires the input of a member's age, credited service, 3 year average salary, and group classification. The program will then calculate the member's benefit without the ERI and six calculations of the enhanced benefit with the ERI (adding 0 to age and 5 to service, 1 to age and 4 to service, etc.).   The program determines the maximum enhanced benefit and the difference between this benefit and the benefit without the ERI for up to 50 members.

The spreadsheet does not include any present value calculations or amortization amounts used in determining a funding schedule.

If you are interested in receiving a copy of the spreadsheet, please send me an e-mail. My address is James.R.Lamenzo@state.ma.us.